

III. Copies of Statements Made During March 24, 2009 PIM

Comments by Alan Dwelley
State of Maine DEP Meeting
Calais, Maine

March 24, 2009

My name is Alan Dwelley and I would like to welcome the DEP members and other state officials to Calais. Thank you for being here. I live in Calais where my wife and I operate Greystone Bed and Breakfast and I operate a commercial truck. I was born in Calais and raised in Baileyville. This is where I choose to live because I love the area, it is where my wife and I want to be, and I firmly support Calais LNG.

This area has traditionally lost many of its brightest and best young people because of the lack of opportunity here. I do not consider myself in the category of being one of the brightest or the best, but I have first hand knowledge of the sacrifices one makes when you leave your roots and family to make a living, having spent nearly 27 years in employment exile until I was able to retire and move back home. I missed the benefits of being close to family during those years, when the best I could muster were annual or bi-annual visits with family. I had hoped to have several years of retirement where I could hunt and fish with my father, but I didn't get that chance because he died before I was able to retire. That was by far the biggest sacrifice I made in having to leave this area for employment. I feel I was cheated out of precious time with the most important male role model I ever had, and it saddens me every time I think about it.

I would like to see opportunities for our young people that will perhaps allow some of them to remain here, find employment, and raise their families where they will have the benefit of being close to family, instead of being cheated out of the most precious time we have, and that is time with family. We must have the ability to give hope for a future where children aspire to achieve and where families can prosper. A thriving economy is the tool that can pave the way to a promising future for coming generations. These ideals are more important now than they have ever been.

I have heard much said by some people regarding environmental concerns and how devastating LNG will be to OUR BAY and I say our bay, because it is my bay too. I believe we have to make logical choices for the future, and balance societies needs with environmental preservation. I do not believe that the Calais LNG Project poses the threat to Passamaquoddy Bay or to the St. Croix River that the opposition states. I believe that LNG can be done safely, without harming the environment and I believe that Calais LNG embodies those objectives. LNG, eco-tourism, and fishing can coexist as evidenced by the LNG facility in Cove Point, MD. located on Chesapeake Bay. If it works there, where crab and oyster harvesting are prominent industries, it can certainly work here. Calais LNG will not ruin our bay as opponents to the project would have you believe.

I observed Calais LNG teams in the area throughout last summer, groups of people working diligently to gather information for environmental studies. It seemed that wherever you looked Calais LNG teams were there, leaving no stone unturned, collecting

data and doing research for this project. Calais LNG has assembled an outstanding team with a good plan. The Calais LNG team is implementing that plan in a logical manner, and they are working meticulously and professionally to make this an environmentally acceptable project. All the evidence presented to date indicates the Calais LNG Project is environmentally sound and being done with what amounts to beyond due diligence. I would also like to remind everyone that Head Harbor Passage, Passamaquoddy Bay, and the St. Croix River has a long history of prior commercial and industrial use. From the schooners sailing from the three dozen or so wharfs here in Calais and St. Stephen during the 1800's, to more recent times, when tankers transported bunker C oil for St John based Irving Oil to storage tanks in St. Stephen, and then delivered it to the paper mill in Baileyville. Bunker C oil is a thick, black, almost tar-like substance that if spilled can have disastrous environmental effects. During those years, I don't recall any outcry, by anyone, either Canadian or American that the Bay needed to be saved. Fuel oil was also hauled by tanker to storage tanks in Calais and distributed by the Dead River Company, and currently ships serving the Canadian port at Bayside transport hazardous materials using these same waters.

It seems to me to be a very self-serving position given our neighbors prior and current use of these waters and it angers me that we are being told we cannot use our mutual waterways for peaceful economic purposes, that will bring much needed jobs, more economic opportunity, and a better standard of living to both sides of the border. We have never tried to derail energy projects in the Maritimes and we ask that Canada not stymie our efforts in Washington County. We have always enjoyed a good neighbor relationship across the border and want to continue to be good neighbors. However, the Canadian position regarding the waterway and LNG is certainly not in keeping with that good neighbor tradition. I hope that our cross border neighbors do not pursue their current position, and instead come to embrace this project because it will benefit both sides of the border.

We need, and we want, some economic opportunities here in Calais and in Washington County, the type that Calais LNG can bring, both during the construction phase and in its operational phase for years to come. Calais LNG means a future for this area and the time is here and the time is now. From my observations Calais LNG is the complete package, they are well organized, and they are conducting this project going above and beyond what is required to satisfy environmental concerns. I think Calais LNG has the best site location of the three proposed because it sits across from an existing industrial operation on the Canadian side of the river and is not visible from the tourist community of St. Andrews, N.B., Canada. DEP members have the ability to make a real difference for real people, Maine people, people who, now more than ever need the hope for jobs and hope for a future for themselves and their families. We need hope, we need opportunity, we need jobs, we need Calais LNG. Calais wants this project to happen and with DEP's and the state's help we can make it happen. You hold our future in your hands and I urge you to approve the Calais LNG Project. Thank you for your time.

Alan Dwelley

Comments by Candace Dwelley
State of Maine DEP Meeting
Calais, Maine

March 24, 2009

Good Evening. My name is Candace Dwelley and I would like to welcome the DEP members and other state officials to Calais, and I thank you for being here. My great grandfather John Trimble came to Robbinston from Ireland in 1830, and with his brother Charles, purchased what is now known as Trimble's Mountain. His twelve children were all born on the mountain and as a result there are many of his descendants in this area, and possibly in this very room. He found his piece of paradise, with views of Passamaquoddy Bay and the St. Croix River, and worked very hard to keep it.

My grandparents worked hard to earn a living and put food on the table and raise their three children. They both worked in the sardine factories, and when that Industry showed signs of decline my grandfather did odd jobs such as house painting, Lobstering, and cutting firewood. My grandmother mended clothes and made quilts for the "summer people", and with the help of a vegetable garden, a few chickens and a cow, she made ends meet.

If you have had the opportunity to drive around our community, you would see the remnants of a once thriving city. Large and beautiful Historical homes line our city streets as evidence of a much more prosperous era.

Since the waning days of shipbuilding, lumbering, granite quarries, sardine factories, and now the likely demise of the pulp and paper mill in Baileyville, this area has always known hard economic times.

We have two colleges in Calais. The Unobskey School of Husson College, and the Washington County Community College. Both offer fine educational opportunities for our youth as well as the older non-traditional student, but upon course completion and degrees earned, there are limited opportunities to put that education to work in this area. As a result many are forced to leave to make better lives for themselves.

This project, Calais LNG, brings with it, economic opportunities for Washington County. Like my ancestors before me, I love this area, and appreciate the beauty that surrounds us, however I do not believe that the presence of an LNG terminal on the St. Croix River will harm the environment and destroy the bay. I ask that you approve this project that will put eastern Washington County back on the map, and shed the reputation of being "The Poorest County in the State of Maine".

Thank you for your time.

Candace Dwelley

GOOD EVENING, MY NAME IS WILLIAM DELMONACO.

I WAS **BORN AND RAISED** IN CALAIS AND HAVE **LIVED HERE ALL MY LIFE.**

AFTER **COMPLETING COLLEGE**, I CHOSE TO **RETURN** TO CALAIS AND **WORK** IN THE **FAMILY BUSINESS.**

I HAVE SERVED ON THE **CITY COUNCIL** IN CALAIS FOR **25 YEARS.**
DURING THOSE YEARS, THE **COUNCILS I SAT ON** WERE **ALL IN FAVOR OF ECONOMIC DEVELOPMENT** OF ANY KIND.

I CAN'T RECALL ANY COUNSELOR NOT SUPPORTING ECONOMIC DEVELOPMENT IN CALAIS.

IN FACT, ON TWO OCCASIONS, THE **CALAIS L.N.G. SUPPORT VOTE** WAS BROUGHT BEFORE THE COUNCIL AND BOTH TIMES WAS UNANIMOUSLY SUPPORTED.

AT ONE POINT IN TIME, THE CITY HIRED A **CONSULTING FIRM** TO ASSIST IN ATTRACTING MORE BUSINESSES TO CALAIS, AND IN DESPERATION, THE CITY WAS WILLING TO **OFFER THE LAND IN THE INDUSTRIAL PARK AT NO CHARGE**, IF BUSINESSES WOULD LOCATE **HERE.**

ALSO, THE CITY OF CALAIS WAS **TWICE** NAMED THE **LOCATION** WHERE THE **NATIVE AMERICANS PROPOSED** THE DEVELOPMENT OF A **CASINO.** THIS POTENTIAL BUSINESS VENTURE WAS **TWICE DEFEATED** IN

STATEWIDE ELECTION **REFERENDUMS.**

ABOUT 2 YEARS AGO, OUR **GOVERNOR APPOINTED A COMMITTEE** TO WASHINGTON COUNTY TO **HELP DEVELOP A PLAN TO ATTRACT BUSINESSES** TO THIS AREA. **ABSOLUTELY NOTHING HAS TRANSPIRED** FROM THIS COMMITTEE.

MY POINT HERE IS: WE ARE **PRO-BUSINESS, DESPERATE TO PROVIDE GOOD PAYING JOBS** THAT WILL BE A REASON FOR OUR **CHILDREN TO REMAIN IN THIS AREA** AND **ENABLE FAMILIES TO STAY TOGETHER.**

WE HAVE WATCHED THE LOCAL **PAPER MILL** IN BAILEYVILLE DWINDLE FROM APPROXIMATELY **750 EMPLOYEES** TO **a MAY 5th INDEFINITE SHUT-DOWN.**

WE HAVE SEEN A NEW **WAFFER BOARD PLANT** AND A **STUD MILL** BUILT BY GEORGIA PACIFIC IN THE 70'S - **BOTH ARE NOW IDLE.**

OTHER THAN CALAIS BEING THE **SERVICE CENTER** FOR WASHINGTON COUNTY, THE JOBS IN THIS AREA ARE WITH THE **FEDERAL or STATE GOVERNMENT** OR AT THE **LOCAL HOSPITAL OR MEDICAL FACILITIES.**

MOST PEOPLE IN THIS COUNTY WORK 2, 3 OR 4 JOBS. WE HAVE **HARD-WORKING PEOPLE** IN THIS AREA AND THEY **DESERVE BETTER JOBS** THAT OFFER **GOOD WAGES AND BENEFITS.**

A **PROJECT** OF THIS MAGNITUDE WILL PROVIDE A **TAX BASE** THAT

WILL ALSO IMPROVE OUR INFRASTRUCTURE, POSSIBLY OPEN UP A MARKET FOR AN ANOTHER FUEL SOURCE AND COULD CREATE OTHER "SPIN OFF" BUSINESSES.

OUR NEW PRESIDENT WAS ELECTED ON A PLATFORM OF CREATING MORE JOBS, LESS DEPENDENCY ON FOREIGN OIL AND OTHER ENERGY SOURCES.

I HOPE THE LIFE-LONG RESIDENTS OF THIS AREA WILL SPEAK OUT IN SUPPORT OF THIS PROJECT AND NOT FEEL INTIMIDATED BY THOSE WHO TRY TO STIFFLE OUR OPPORTUNITY FOR GROWTH AND ECONOMIC STABILITY.

WITH THE RECENT ECONOMIC DOWN-TURN IN THIS COUNTRY AND GLOBALLY, IT IS EVEN MORE URGENT WE SUPPORT AND GET THIS L.N.G. PLANT.

AS A MEMBER OF THE CALAIS LNG ADVISORY COMMITTEE, I WANT TO SPEAK TO THE PROFESSIONALISM OF THE STAFF OF CALAIS LNG.

IN MY OPINION THEY HAVE BEEN VERY PROFESSIONAL IN EVERY ASPECT OF THE PERMITTING PROCESS. THEY HAVE BEEN VERY COURTEOUS AND THOROUGH AND TIMELY IN ANSWERING ALL OF MY QUESTIONS AND THOSE OF THE PUBLIC.

**I URGE GOVERNOR BALDACCI, THE MAINE D.E.P. AND THE
CALAIS LNG, JOIN FORCES AND GET THIS LNG PROJECT APPROVED IN
A MOST EXPEDIENT MANNER POSSIBLE,
SO THAT IN THESE DESPERATE ECONOMIC TIMES WE CAN CREATE
JOBS, A TAX BASE, ANOTHER FUEL SOURCE AND SPINN OFF
BUSINESSES FOR BOTH WASHINGTON COUNTY AND THE STATE OF
MAINE.**

THANK YOU.

Good evening, my name is Jane DelMonaco.

I was born in Calais and, with the exception of leaving to pursue my education, I have lived in this area all my life.

I want to express my **support for the Calais LNG Project.**

As a nurse practitioner, substance abuse counselor and a mother, I have seen **too many youth leave this area to find work and hope for a more prosperous life than that of their parents.**

Many of **our young adults talk about the financial struggles and emotional effects** they have seen their parents face – How some parents **work 2 or 3 minimum wage jobs to barely provide the basics** for their family. It is **sad to see children worry about adult problems** – wondering **how will their parents get by - what will happen to their family.**

I feel very fortunate that my parents had good paying jobs in this area and I was not subjected to the worries I now hear our youth talking about.

BUT, if I were a youth today, it would be very different because my family would be impacted by the **upcoming indefinite shut-down of the Domtar mill.**

Please help me understand why, in a country as rich as the United States, do our children bear burdens far beyond their years?

It is **my personal observation, regarding recruitment of business and industry** to our area there seems an **endless list of roadblocks to nearly every potential option** and I **am tired of hearing:**

“THAT IS NOT THE KIND OF BUSINESS or INDUSTRY THAT IS RIGHT FOR THIS AREA”, or “WE DON’T WANT THOSE KINDS OF JOBS.”

Please tell that to the children who are suffering emotionally with fears about their family’s existence or are separated from their mom or dad who is “working away”.

Just imagine the added stress to their parents as well. The separation of families, due to the need to “go where the work is”, creates issues that are not only seen in the home but reflected in our children at school.

The community at large pays for this in far greater ways than you might imagine.

The importance of the role of family in our society cannot be understated.

The lack of employment opportunity and financial stability leads to increased social problems that range from families living on State assistance, to issues of low self esteem, a higher crime rate to drug and alcohol addictions – to name but a few.

The potential for this LNG project to provide economic relief through jobs and spin off businesses could provide the catalyst needed for our children and families to have the CHOICE to live and work in this area.

As our children complete their education, more and more leave the area permanently to find employment. Many youth want to stay, but feel forced to leave in order to find stable employment. This exporting of our youth needs to stop.

I look at our population and see that we are becoming a retirement community.

Although baby boomers and seniors have much to offer, our community needs its youth to become the next strong leaders, who can contribute their new ideas, energy

and inspiration to meet the **challenges of today's changing world**. Where will we be without our youth? I listened with interest regarding the environmental impact study results and am really happy the **frogs, lizards and other creatures will be safe**. But, despite how comprehensive this study is, **I feel there are two endangered species well on their way to extinction** and should be added to this study. **Those two species are: the youth of our area and the family** as my generation has known it. Personally, my son is one of the many who has moved out of the area for employment reasons. I believe **approval of LNG will play a significant role in keeping this area a viable place for families to live productively together again**.

Regarding environmental impact concerns, I ask you to consider some of the **aesthetic changes** made to the **environment** in neighboring **Canada** through some of their industries nearby.

For example:

1. The **quarry at Bayside**, located across the St. Croix River, from the proposed site of the Calais LNG.
2. **Point Lepreau's nuclear reactor** and tentative construction of a **second reactor** just thirty five air miles from here.
3. The **fossil fuel plant** at **Colson Cove** in the east St. John area.
4. The **new LNG terminal** in **St. John**.
5. The **oil refinery in St. John** and its **planned expansion**.

Certainly these have **impacted the Canadian environment** but **were approved** and are **online providing employment** for many Canadians.

Not that any of these are bad things. They're prosperity and jobs, which I support.

But, I ask you to please consider these when you listen to the opposing viewpoints of this LNG project.

Surely, if these industries can work for the Canadian environment and economics, LNG can only be a positive for our area.

The talk about potential negative consequences and risks of LNG may be good scare tactics. But interestingly, when traveling to **Boston**, I see how that city is **thriving**, **tourism** seems to be **increasing** each year, residents talk about **property valuations** that continue to **rise**, **old businesses remain**, **new ones** have started up, and **BOSTON HARBOR** seems to be **prospering with new waterfront development**. And all this, **despite having an LNG facility there!** It's **AMAZING** – the **ENVIRONMENT AND INDUSTRY ARE ALIVE AND WELL**.

I believe **industry and our environment can work well together for all to benefit here in Washington County also.**

It is **my hope this project is met favorably by the Maine Department of Environmental Protection and in good conscience you will approve this LNG project**, that our **governor supports**, and that I believe you will find is **environmentally sound**.

I encourage you to **end the roadblocks and approve Calais LNG**, a **safe alternative to meet the economic needs of this area and the energy needs of this nation**.



March 23, 2009

Mr. Ian Emery, Development Manager
Calais LNG
P.O. Box 133
Calais, ME 04619

Dear Mr. Emery:

I wish to go on the record as being in support of the Calais LNG project that is being proposed for Washington County.

The project will provide significant benefits to a community that suffers from a high unemployment rate of 13.3% with an average median household income of \$25,000. Benefits from this project will come through indirect employment opportunities that could reach 800 and a total of 100 direct well paying, secure jobs in specialized occupations. Additional tax revenues estimated to be more than \$3,000,000 will have the potential of lowering the Calais property tax rate by 85%.

An LNG terminal located in Washington County along the Maine coast will be a significant step towards the Governor's vision of encouraging energy independence and security.

In conclusion, Calais LNG has actively engaged and maintained open communications with the City Council, municipal leaders and the general public by making available public information materials on the proposed project at the Calais LNG Main Street office, by staffing informational stations at the FERC Open House and scheduling regular meetings with the Calais LNG Liaison Committee.

Sincerely,


Diane Barnes
City Manager

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TESTIMONY OF Bradley S. Flannery,

VERSO PAPER – 3/24/2009

Good evening. I am Brad Flannery, Energy Manager at Verso Paper's Bucksport ME. Mill. Verso Paper operates 4 paper mills in 3 states, including mills in Jay and Bucksport, Maine. At its two Maine facilities, Verso employs over 1600 employees and spends more that \$450 million dollars a year in business with Maine based companies.

The manufacture of paper requires massive amounts of energy to run papermaking machines and generate steam used in the papermaking process. Maine's energy costs are much higher than the U.S. average, placing a special burden on papermaking in Maine. Both of Verso's mills in Maine use a mix of fuels. These include natural gas, as well as biomass, #6 oil, waste oil, pelletized waste paper, hydro, tire derived fuel, and others. We regularly adjust our fuel mix to manage our costs. We are also leaders in implementing energy conservation, demand response and other energy efficiency measures to reduce our operating costs and to address global environmental concerns. We were one of the parties leading the effort to pass the Regional Green House Gas Initiative here in Maine.

Natural gas, though, is and will continue to be the predominant fuel used in generating electricity in Maine and New England. This is particularly true given the emphasis on wind and other alternative energy sources which require a complementing supply. Maine pays a premium for natural gas compared to prices in the Midwest and other areas of the US. As a result, electric prices in Maine and New England are driven largely by natural gas prices. Verso and other

mills in Maine are highly dependent upon reliable and reasonably priced gas and electric supply to stay competitive in a world market for our products, and to maintain quality jobs in Maine.

Natural gas shortages and/or supply disruptions can have a significant impact on our operations. Short term gas supply disruptions have the potential to cause electricity price spikes, mill outages and even electric system outages. These are not hypothetical concerns. In what has become a more and more common occurrence, a December 2007 disruption in the gas supply from Sable Island shut down numerous generating units in Maine, including ours and threatened the reliability of the entire New England Grid. Fortunately, the disruption occurred on a weekend when electricity demand was relatively low. Had the same event occurred on a weekday during the same period when the electric load is much higher, it is much more likely that the grid would have gone down, shutting down supply to all homes and businesses.

I would hope you would be focusing on two questions. First, what will the impact be from the construction and operation of the Calais LNG facility on natural gas prices in Maine and what will be the resultant impact on electric prices? Second, would the construction and operation of the Calais LNG facility eliminate or substantially reduce the risk of future supply disruptions that threaten grid reliability?

We believe if the answers are to lower electricity prices and to increase grid reliability then we should go forward.

Thanks you for your time ...

Good Evening. My name is Matthew Stein. I am from Windham, Maine and I am currently a senior at Maine Maritime Academy majoring in engineering. Maine Maritime prepares its students to carry on the tradition, dating back hundreds of years, of Mainers earning their living by going to sea.

During the course of my education at the Academy, I had the opportunity to sail on an LNG tanker for three months during the Summer of 2007. During that period my ship took on one cargo in Nigeria and two cargos in Trinidad. All three cargos were unloaded via ship-to-ship discharging, once off of Aruba and twice in the Gulf of Mexico. The transfers that took place in the Gulf of Mexico were the first ever ship-to-ship transfers of LNG in U.S. waters.

During this period, I was fortunate to learn not just about commercial shipping, but also the LNG industry. My personal experience taught me first hand about the industry's outstanding commitment to public and environmental safety.

I will be graduating in about five weeks and will begin my career as a merchant marine/marine engineer on June 2. I hope that before long I will be able to sail again on an LNG tanker, while maintaining my home right here in Maine.

My question is whether the Calais LNG terminal will expand career opportunities for Mainers who serve as merchant marines.